



AMERICAN STORES COMPANY

ANNUAL REPORT

Fiscal year ended March 31, 1956





COVER *The cover illustration symbolizes the current expansion and growth of the Company. Each new market embodies the latest in construction and equipment, all designed for the customer's convenience and ease of shopping. The model of the store building on the cover, of course, cannot show more than a fraction of parking facilities that are provided today. Listed below are the thirty-one locations which, as of April 1, had progressed beyond the drawing board stage and were actually under construction.*

■ **PENNSYLVANIA**

BRYN MAWR
EBENSBURG
JOHNSTOWN
LANCASTER
NEWTOWN
OXFORD
PHILADELPHIA
READING
SCRANTON
SOMERSET
TARENTUM
YORK

■ **NEW JERSEY**

ATLANTIC CITY
BERNARDSVILLE
PITMAN
SECAUCUS
TEANECK
WEST CALDWELL
WEST PATERSON
WESTWOOD
WILDWOOD
WOODBIDGE

■ **NEW YORK**

ARCADE
BETHPAGE, LONG ISLAND
ONEIDA
ROME
UTICA

■ **DELAWARE**

ELMHURST
WILMINGTON

■ **MARYLAND**

ROCKVILLE
TOWSON

ANNUAL REPORT

1956

AMERICAN STORES
COMPANY

DIRECTORS

SAMUEL ROBINSON
WILLIAM PARK
JOHN M. HANCOCK
FRED J. HEANEY
JAMES K. ROBINSON, Jr.
THOMAS H. SHERRARD
JOHN R. PARK
J. WILLIAM HARDT
WILFRED D. GILLEN
PAUL J. CUPP
A. J. FAULHABER
ARTHUR LITTLETON

OFFICERS

WILLIAM PARK, *Chairman, Board of Directors*
PAUL J. CUPP, *President*
FRED J. HEANEY, *Vice President*
JAMES K. ROBINSON, Jr., *Vice President*
A. J. FAULHABER, *Vice President*
FRANK L. SPOON, *Vice President*
R. H. BIRCHARD, *Vice President*
THOMAS H. SHERRARD, *Vice President*
JOHN R. PARK, *Vice President and Treasurer*
S. A. GOULD, *Assistant to the President*
E. A. COLSON, *Secretary*
S. C. ARCHER, *Assistant Treasurer and
Assistant Secretary*
J. V. KEERS, *Assistant Secretary*
A. E. GILFILLAN, *Assistant Secretary*

FINANCIAL HIGHLIGHTS

	<i>Fifty-two weeks ended</i>	
	MARCH 31, 1956	APRIL 2, 1955
Sales.....	\$654,727,474	624,625,745
Earnings before income taxes.....	17,382,564	14,218,128
Federal and State income taxes.....	9,048,000	7,203,000
Net earnings.....	8,334,564	7,015,128
Working capital.....	44,498,492	42,779,937
Shares outstanding at year-end.....	1,518,594	1,441,230
Per share:		
Earnings.....	5.48	4.86
Cash dividends.....	2.00	2.00
Stock dividend.....	5%	5%
Stockholders' equity.....	49.78	48.55
Number of stores.....	953	1,076

*For more comprehensive comparisons see
Fifteen-Year Statistical Summary on pages 10 and 11.*

TO THE STOCKHOLDERS:

SALES AT NEW HIGH

Sales for the year ended March 31, 1956 set a new record of \$654,727,474. The increase over last year was 4.82%. Since retail prices were slightly lower than in the preceding year, the tonnage gain was greater than the dollar gain. Sales have increased more than 275% in the 10-year period since December 31, 1945. Average sales per store, based on the number of stores open at the end of each year, have shown an even greater growth as is shown on the chart at the right. Average sales per store have jumped some 575% over the 1945 figure and this growth is expected to continue.

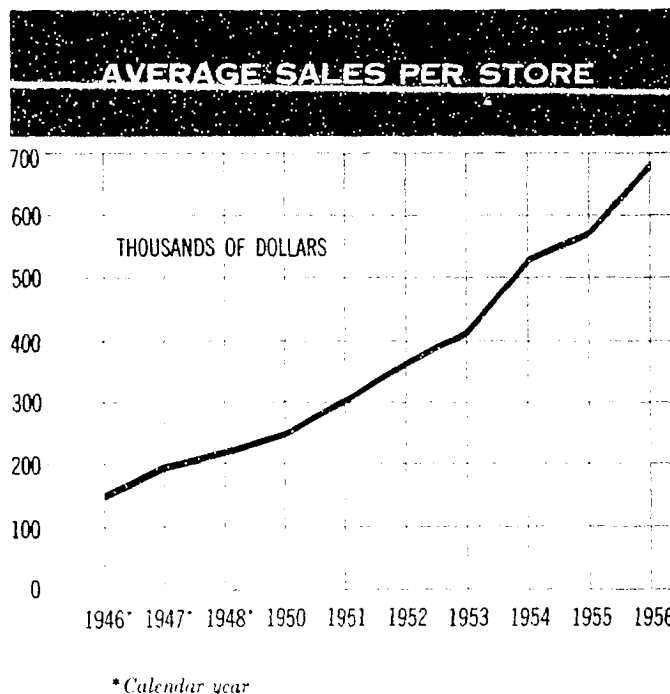
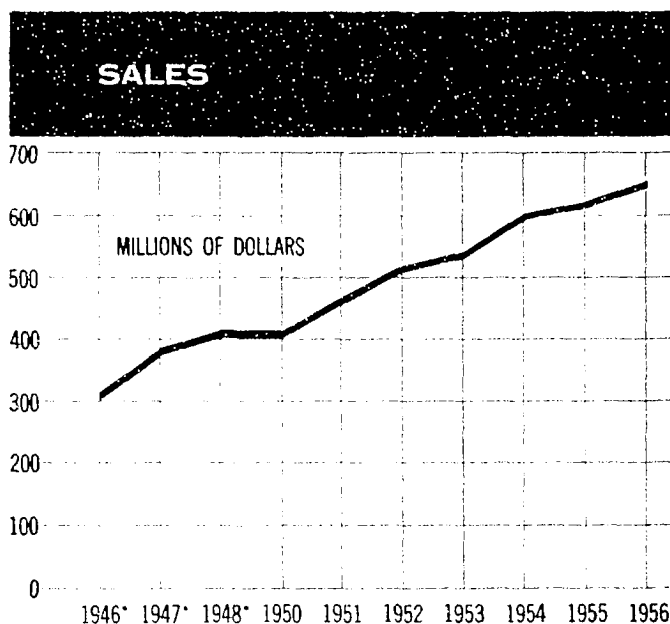
RECORD EARNINGS

Net earnings of \$8,334,564 were the highest in the history of the Company and represent an increase of 18.81% over the preceding year. Earnings per share were \$5.48 compared to \$4.86 for the previous year on the basis of the shares outstanding at the end of the respective years.

MORE NEW STORES OPENED

There were 47 new markets opened during the year as compared with 34 in the previous year. The average size of these markets continues to increase. Stores currently under construction generally range from 16,000 sq. ft. to 24,000 sq. ft., with certain stores as large as 30,000 sq. ft. It is expected that these new markets will have an average sales volume of nearly \$2,000,000 a year. On the inside of the front cover we list the 31 locations where stores were actually under construction at the beginning of the current fiscal year. Since that time, several of these stores have opened and some additional locations are under construction. Indications are that between 50 and 60 stores will be opened in the current fiscal year.

During the year 170 of the smaller stores were closed, including 101 of the service-type stores. The 219 service stores now in operation account for a relatively minor portion of our total current retail sales. We will continue to close these smaller units as conditions justify.



TRADING STAMPS INTRODUCED

An increasingly competitive condition in the Philadelphia area was climaxed in December, 1955 by the introduction of trading stamps. While we have felt that trading stamps should not be a part of our regular merchandising program, their introduction by a competitor created a situation which required prompt and effective counter measures. Consequently, within a few days, your Company introduced S. & H. green trading stamps. S. & H. stamps are distributed by Sperry & Hutchinson Company, which is the largest such company in the country and the only one with national distribution.

Initially, stamps were distributed only in the greater Philadelphia trading area. Since then their use has spread to our Baltimore and Kearny zones.

MARKET BASKET CHAIN ACQUIRED IN NEW YORK AREA

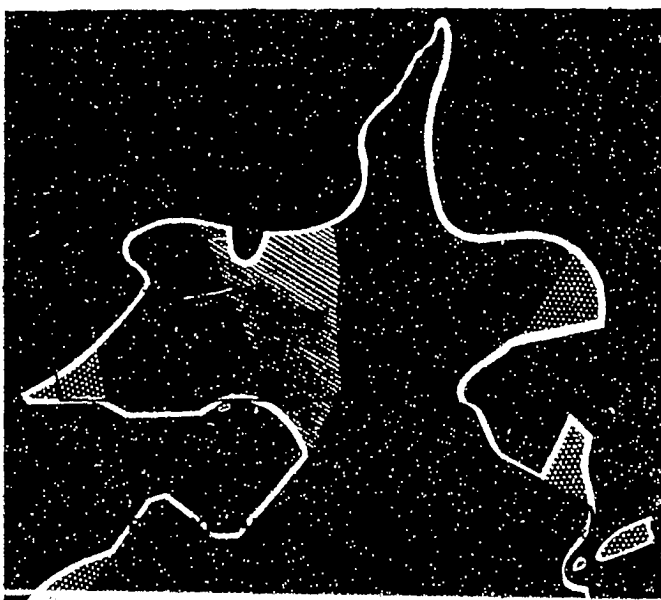
On December 7, 1955 the Company entered into an agreement with The Market Basket Corporation, subject to certain conditions, to purchase its business and net assets for common stock of American Stores. This purchase was consummated as of April 9, 1956 and the former Market Basket stores are now being served principally by our Syracuse and Buffalo warehouses. It is expected that this acquisition will add about \$31 million to the current year's sales volume and strengthen our coverage of the western New York area. The territory added by Market Basket is indicated on the map at the left.

CASH DIVIDENDS AGAIN SUPPLEMENTED WITH STOCK

Cash dividends at the rate of 50¢ quarterly were again paid throughout the fiscal year. This makes the thirty-sixth year in which dividends have been paid on the common stock of the Company since the first payment in 1920. Cash dividends were again supplemented by a 5% stock dividend paid March 31, 1956. This is the third consecutive year in which a 5% stock dividend supplemented the regular cash dividends.

EXPANSION INTO NEW AREAS

In addition to the new territory served by the former Market Basket stores, the Company is ex-



Territory served by retail stores

Territory added by former
Market Basket Stores

Other new territory

panding into several new marketing areas not previously served. These areas are indicated on the map on page 4. We have already entered the Erie market with the opening of a store during the year. Two stores were under construction at the year-end in the greater Pittsburgh trading area, and other sites are under consideration. In New York State, we are going into the Schenectady-Albany region, and are also moving up the west side of the Hudson River with a store to be opened in New Windsor, a suburb of Newburgh. Several additional locations are currently being explored in this general area. In addition to this, three stores are under way in the populous Long Island territory, the first of which should be opened late this fall.

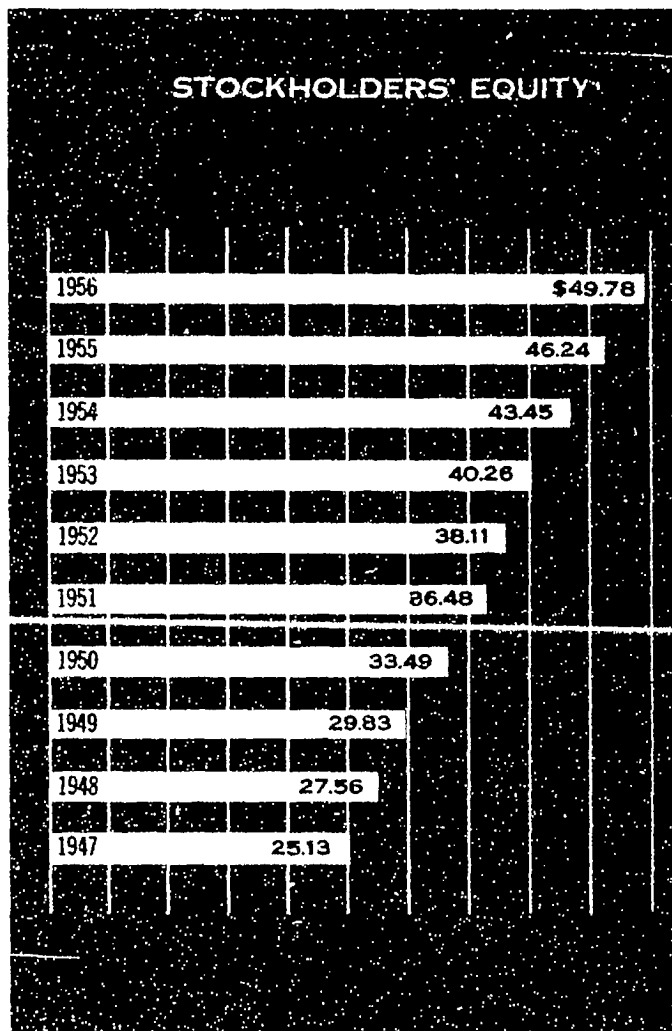
We will continue to seek out new territories and to improve our position in existing areas wherever the profit potentialities can justify the cost.

FINANCING OUR GROWTH

Shown below is a summary of the source and disposition of funds for the ten postwar years, and for the year just ended.

	Year ended Mar. 31, 1956	Ten years ended Mar. 31, 1956 ⁽¹⁾
SOURCE:		
Net Earnings	\$ 8,334,564	65,988,877
Charges to earnings not requiring funds:		
Depreciation and amortization	5,005,959	33,031,953
Deferred income taxes	316,000	489,000
Provision for employees' retirement income benefits	—	2,295,600
Long-term borrowings	—	25,000,000
Sale of common stock under option plan	173,255	397,650
	<u>\$13,829,778</u>	<u>127,203,080</u>
DISPOSITION:		
Net additions to plant and equipment	\$ 7,666,563	73,529,470
Charges to provision for employees' retirement income benefits	32,080	1,868,700
Reduction of long-term borrowings	1,125,000	3,718,758
Miscellaneous	399,179	779,425
Cash dividends	2,888,401	24,860,711
Increase in working capital	1,718,555	22,446,016
	<u>\$13,829,778</u>	<u>127,203,080</u>

⁽¹⁾ Includes the short period from Jan. 1 to Apr. 2, 1949.



HOW OUR SALES DOLLAR WAS DIVIDED



For farmers, processors
and transportation

83.04¢



To or for office
and store employees

9.51¢



For rent, advertising, heat,
light, interest and other
operating expenses

4.62¢



For federal, state and
local taxes

1.56¢



For dividends and retained
for needs of business

1.27¢

During this postwar period inventories increased \$28,689,678 and the ratio of sales to working capital rose from 10.7 to 1 to 14.7 to 1.

Expenditures for plant and equipment consumed the largest single portion of the available funds even though most of our store buildings and related land are occupied under lease agreements.

However, in these ten postwar years we have almost completely replaced our warehouse, bakery and office facilities, and accordingly the need for funds for these purposes should not be as great in the next few years.

OFFICERS AND DIRECTORS

Following the annual meeting on June 15, 1955, Mr. William Park was elected to the newly created position of Chairman of the Board of Directors, with chief executive duties. Mr. Paul J. Cupp was elected to succeed Mr. Park as President and Mr. R. H. Birchard was placed in charge of grocery buying, merchandising and advertising. Mr. Thomas H. Sherrard, a director of the Company and manager of the Baltimore Zone, was elected a Vice President.

During the year, Mr. William Gould retired from the Board of Directors and was succeeded by Mr. Arthur Littleton, a senior partner in the law firm of Morgan, Lewis & Bockius.

The year's results could not have been attained without the high degree of cooperation evident among our employees in every division of the Company, and they have our sincere appreciation. With a combination of well trained personnel, modern and adequate plant facilities, comprehensive plans for additional retail units, and financial stability, your management faces the future with confidence.

Respectfully submitted,

William Park

Chairman of the Board of Directors

Paul J. Cupp

President

Philadelphia, Pa.

May 23, 1956

STATEMENT OF CONSOLIDATED EARNINGS

	<i>Fifty-two weeks ended</i>	
	MARCH 31, 1956	APRIL 2, 1955
CURRENT EARNINGS		
Sales:		
Retail stores.....	\$642,491,668	611,413,037
Other.....	12,235,806	13,212,708
	<u>654,727,474</u>	<u>624,625,745</u>
Cost of sales and operating expenses:		
Cost of merchandise sold, including warehousing and transportation expenses.....	544,067,075	523,217,115
Wages, rents, advertising, administrative and other operating expenses.....	88,223,344	82,259,101
Depreciation and amortization.....	5,005,959	4,485,496
Net gain on sale and retirement of plant and equipment.....	(689,644)	(320,108)
	<u>636,606,734</u>	<u>609,641,604</u>
Operating profit.....	18,120,740	14,984,141
Interest on loans, less miscellaneous income....	738,176	766,013
Earnings before income taxes.....	17,382,564	14,218,128
Federal and State income taxes, estimated....	9,048,000	7,203,000
Net earnings.....	<u>\$ 8,334,564</u>	<u>7,015,128</u>
EARNINGS RETAINED FOR USE IN THE BUSINESS		
Balance at beginning of period.....	\$ 45,421,734	44,744,002
Net earnings for the period.....	8,334,564	7,015,128
	<u>53,756,298</u>	<u>51,759,130</u>
Deduct:		
Cash dividends—\$2 a share.....	2,888,401	2,742,767
Stock dividend—5%.....	3,925,927	3,594,629
	<u>6,814,328</u>	<u>6,337,396</u>
Balance at end of period.....	<u>\$ 46,941,970</u>	<u>45,421,734</u>

See accompanying notes to financial statements on pages 8 and 9.

CONSOLIDATED

ASSETS	MARCH 31, 1956	APRIL 2, 1955
Current assets:		
Cash.....	\$ 17,695,666	16,769,711
Receivables.....	3,762,479	3,330,799
Inventories, at lower of cost or market.....	51,771,892	47,902,725
Prepaid expenses.....	1,363,570	1,740,532
Markets under construction covered by investors' commitments to purchase.....	1,957,366	—
Total current assets.....	76,550,973	69,743,767
Miscellaneous investments and long-term receivables.....	1,097,478	698,299
Plant and equipment:		
Land.....	4,419,924	3,828,168
Buildings.....	24,495,976	23,099,630
Machinery, equipment and fixtures.....	43,391,896	41,004,554
Leasehold improvements.....	6,534,495	5,881,708
Total plant and equipment, at cost.....	78,842,291	73,814,060
Less accumulated depreciation and amortization.....	26,298,845	23,931,218
	52,543,446	49,882,842
Goodwill.....	1	1
	<u>\$130,191,898</u>	<u>120,324,909</u>

NOTES TO FINANCIAL STATEMENTS

(1) NOTES PAYABLE, LONG-TERM. The notes are payable in annual instalments of \$1,125,000 from 1956 to 1966 inclusive with a final maturity of \$10,375,000 on August 1, 1967. Interest on \$6,825,000 is at the rate of 27½% per annum and on the remaining \$15,925,000 at 3% per annum. The notes contain restrictions as to the payment of cash dividends and the reacquisition and retirement of shares of stock of the company. Of the earnings retained for use in the business at March 31, 1956, an amount of \$36,572,962 is free of such restrictions.

(2) DEFERRED INCOME TAXES. With respect to additions to machinery, equipment and fixtures on January 1, 1954, the company and a subsidiary have adopted for tax purposes one of the accelerated methods of depreciation permitted by the Internal Revenue Code of 1954 but have continued the straight-line method for general accounting purposes. Provision has been made for the estimated deferred income tax applicable to the excess of depreciation on such additions claimed for tax purposes over the corresponding amount of depreciation charged to earnings.

BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY

	MARCH 31, 1956	APRIL 2, 1955
Current liabilities:		
Notes payable, long-term, instalment due within one year (note 1).....	\$ 1,125,000	1,125,000
Accounts payable.....	17,023,804	13,090,228
Accrued expenses.....	5,276,042	4,949,748
Federal and State income taxes, estimated....	8,627,635	7,798,854
Total current liabilities.....	32,052,481	26,963,830
Notes payable, long-term, less instalment due within one year (note 1).....	21,625,000	22,750,000
Provision for:		
Employees' retirement income benefits.....	426,901	458,981
Deferred income taxes (note 2).....	489,000	173,000
	915,901	631,981
Stockholders' equity:		
Common stock of \$1 par value. Authorized 2,000,000 shares. Outstanding 1956 — 1,518,594 shares; 1955 — 1,441,230 shares (notes 3 and 4).....	1,518,594	1,441,230
Capital in excess of par value of common stock (note 5).....	27,137,952	23,116,134
Earnings retained for use in the business, less amount capitalized through stock dividends (note 1).....	46,941,970	45,421,734
	75,598,516	69,979,098
	<u>\$130,191,898</u>	<u>120,324,909</u>

(3) STOCK OPTIONS. At March 31, 1956 there remained outstanding options granted to 55 officers and employees to purchase 51,832 shares common stock at prices ranging from \$32.01 to \$48.91, such prices being 95% of market price on the respective dates of granting, adjusted for subsequent stock dividends. The options are exercisable on a cumulative basis over a 10-year period and expire on or before October 19, 1965. In addition, 51,777 shares common stock are reserved for future option grants.

(4) MARKET BASKET ACQUISITION. On April 9, 1956 the company acquired the business and net assets of The Market Basket Corporation, Geneva, N. Y., in exchange for 66,302 shares common stock of the company.

(5) CAPITAL IN EXCESS OF PAR VALUE OF COMMON STOCK. The increase during the year consisted of \$3,853,613, representing excess of assigned value of 72,314 shares common stock, issued as a stock dividend, over the related par value; and \$168,205, representing excess of sale proceeds of 5,050 shares common stock, pursuant to exercise of stock options, over the related par value.

(6) LEASE COMMITMENTS. The Company and a subsidiary were lessees under 570 leases expiring more than three years after March 31, 1956. Such leases call for minimum annual rentals (excluding taxes, insurance and maintenance expenses where payable by the lessee) totaling \$6,554,000, of which about 40% relates to leases expiring within 10 years and the remainder relates to leases expiring in from 10 to 25 years.

FIFTEEN-YEAR

	52 weeks ended					
	March 31, 1956	April 2, 1955	April 3, 1954 ^(a)	March 28, 1953	March 29, 1952	March 31, 1951
Sales.....	\$654,727	624,626	603,736	542,035	521,311	469,771
Earnings before taxes on income.....	17,382	14,218	15,678	10,548	9,974	14,365
Federal and State taxes on income.....	9,048	7,203	8,210	5,465	4,920	7,250
Net earnings.....	8,334	7,015	7,468	5,083	5,054	7,115
Cash dividends.....	(c) 2,888	(c) 2,743	(c) 2,638	2,603	2,603	2,603
Earnings for year retained in business..	5,446	4,272	4,830	2,480	2,451	4,512
Net earnings per sales dollar.....	1.27¢	1.12¢	1.24¢	.94¢	.97¢	1.51¢
Shares of stock outstanding at year-end..	1,518,594	1,441,230	1,368,496	1,301,320	1,301,320	1,301,320
Earnings per share.....	5.48	4.86	5.45	3.90	3.88	5.46
Cash dividends per share.....	(c) 2.00	(c) 2.00	(c) 2.00	2.00	2.00	2.00
Stockholders' equity:						
Total.....	75,599	69,979	65,558	60,652	57,410	54,958
Per share.....	49.78	48.55	47.91	46.60	44.11	42.23
Current assets.....	76,551	69,744	74,088	67,082	65,441	70,676
Current liabilities.....	32,053	26,964	28,932	24,977	26,989	23,885
Working capital.....	44,498	42,780	45,156	42,105	38,452	46,791
Current ratio.....	2.39	2.59	2.56	2.69	2.43	2.99
Plant and equipment:						
Additions.....	8,184	10,832	6,453	3,608	13,847	10,597
Depreciation and amortization provision.....	5,006	4,485	4,226	4,071	3,608	3,030
Net investment.....	52,543	49,883	44,049	42,170	42,336	32,666
Total assets.....	130,192	120,325	118,863	111,172	109,984	104,742
Long-term debt, less amount due within one year.....	21,625	22,750	23,875	25,000	25,000	25,000
Number of retail stores at year-end:						
Self-service super markets.....	734	756	761	787	781	773
Other stores.....	219	320	371	502	627	732
Total stores.....	953	1,076	1,132	1,289	1,408	1,505

(a) 53 week period.

(b) The short period from January 1 to April 2, 1949 is not included in the foregoing summary.

Earnings for such period amounted to \$1,486,281, or \$1.14 per share.

(c) In addition a 5% stock dividend was paid.

STATISTICAL SUMMARY

	Year ended December 31							
April 1, 1950 ^(b)	1948	1947	1946	1945	1944	1943	1942	1941
416,644	417,467	388,614	314,575	233,542	227,630	212,082	209,106	157,677
10,924	9,433	9,955	11,808	6,540	6,352	4,484	5,652	3,320
4,180	3,770	4,030	5,807	4,565	4,520	2,775	3,643	1,160
6,744	5,663	5,925	6,001	1,975	1,832	1,709	2,009	2,160
2,212	2,277	2,277	1,562	1,301	1,301	1,301	1,301	1,301
4,532	3,386	3,648	4,439	674	531	408	708	859
1.62¢	1.36¢	1.52¢	1.91¢	.85¢	.80¢	.81¢	.96¢	1.37¢
1,301,320	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320	1,301,320
5.18	4.35	4.55	4.61	1.51	1.40	1.31	1.54	1.66
1.70	1.75	1.75	1.20	1.00	1.00	1.00	1.00	1.00
50,446	44,933	41,511	37,859	33,312	32,720	32,093	31,647	30,875
38.76	34.52	31.89	29.09	25.59	25.14	24.66	24.31	23.72
56,865	55,396	56,107	47,784	32,172	30,922	30,168	28,149	27,147
17,471	16,516	16,310	21,809	10,348	9,769	10,604	10,273	10,421
39,394	38,880	39,797	25,975	21,824	21,153	19,564	17,876	16,726
3.25	3.35	3.44	2.19	3.11	3.17	2.84	2.74	2.61
5,789	6,036	6,795	4,165	2,013	966	704	1,220	2,418
2,614	2,091	1,735	1,455	1,631	1,346	1,371	1,399	1,353
25,565	21,943	18,240	13,700	11,285	11,109	12,002	13,211	13,729
84,125	78,301	75,146	62,249	44,003	42,489	42,698	41,920	41,296
15,057	15,172	15,229	286	344	—	—	—	—
765	761	708	665	606	595	579	576	517
872	1,072	1,213	1,347	1,358	1,425	1,487	1,523	1,613
1,637	1,833	1,921	2,012	1,964	2,020	2,066	2,099	2,130

**ACCOUNTANTS'
REPORT**

PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1500 WALNUT STREET

PHILADELPHIA 2, PA.

THE BOARD OF DIRECTORS
AMERICAN STORES COMPANY:


We have examined the consolidated balance sheet of American Stores Company and subsidiaries as of March 31, 1956 and the related statement of earnings for the fifty-two weeks then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated earnings present fairly the financial position of American Stores Company and subsidiaries at March 31, 1956 and the results of their operations for the fifty-two weeks then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding period.


PEAT, MARWICK, MITCHELL & Co.

Philadelphia, Pa.
May 16, 1956

BEHIND THE SCENES IN AN ACME MARKET



Everyone is familiar with the tremendous outward changes in appearance and facilities that have occurred in the last two decades in our industry. Yet few people realize that an even more dramatic change has taken place in the equipment, facilities, and in the handling and processing techniques which are now an integral part of every modern market. These facilities today require approximately one-third of the total floor space of each market. Such a glimpse "behind the scenes" is seldom witnessed by outsiders. Yet it is in this area that many products are prepared for sale to the customer. Perhaps an imaginary tour through the storage and preparation areas of a modern Acme Market would help highlight some of the newer methods and equipment now in use. These methods and equipment constitute an important phase of our continuing search for greater efficiency.



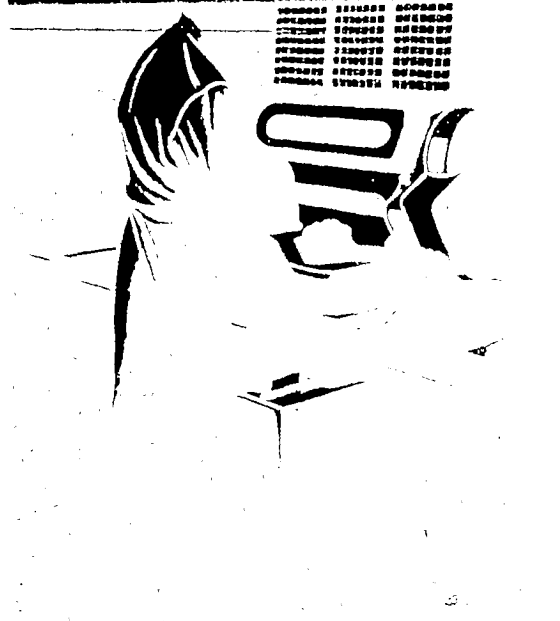
Store work was at one time synonymous with back-breaking labor. In the days of the old corner grocery store, one hundred pound bags of sugar, flour, and other products had to be individually carried from the tailgate of the delivery truck into the back room. Weighing and packaging bulk products, such as lard, sugar, and dried beans, was time-consuming and mechanized equipment was almost non-existent.

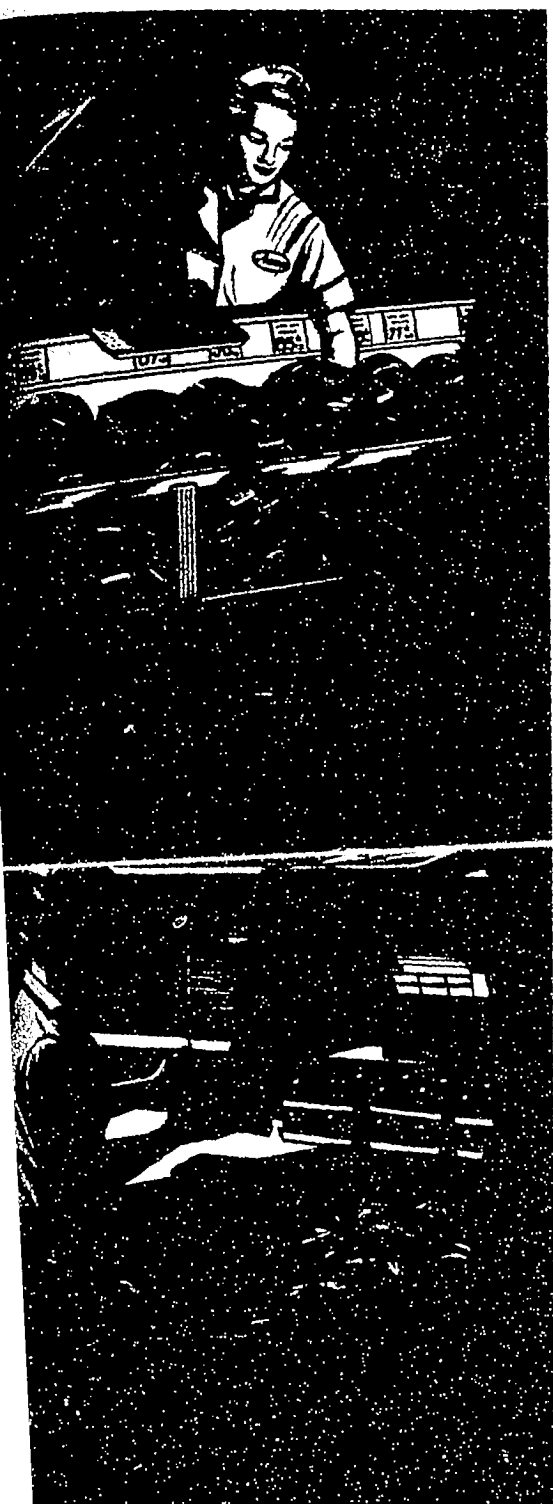
Today, in the newer Acme Markets, this picture has changed radically. Comparatively little physi-

cal effort is needed to operate the power conveyors, pallets and hand trucks that move the thousands of food products into our stores. When the delivery truck arrives, sectional conveyors are extended from the rear door of the market into the body of the truck. Packages and cartons then literally flow into the back room area. Many of our newer markets use a specially designed basement as their distribution center. The perimeter is encircled by a series of power conveyors that elevate items to a point where they then travel by gravity to the desired area. This railroad network has been engineered by specially trained experts in the field of materials handling. There is a place allocated to every product and the turnover of each is carefully controlled to insure freshness and avoid excessive inventories. At a convenient central point all merchandise momentarily stops at a pricing station where trained employees accurately price mark each item. In many stores, the merchandise moves from the price marking station via a power conveyor directly to a central location in the sales area. In a sense, we have "put the back room work area on wheels" to facilitate the smooth flow of merchandise.

The equipment connected with the handling and preparation of perishable merchandise has undergone even greater changes. Today, this merchandise is kept under constant refrigeration to safeguard the freshness and flavor. In the back room, separate refrigerated holding boxes for produce, meat, dairy, and frozen food products are commonplace. Each type of commodity has its own requirements as to temperature and humidity which must be carefully observed.

In the meat department, choice sides of Lancaster Brand beef and lamb glide from trucks to walk-in refrigerators on overhead mono-rail trolleys. A scale is built into one section of the mono-rail so that the various meat items can be quickly





and accurately weighed as they are received. Skilled meat cutters, working in the specially air-conditioned cutting room, prepare the numerous retail cuts which then travel on stainless steel conveyors to the automatic pricing stations. Here another transformation has taken place. The latest scales automatically weigh the item, compute the correct price and print the label in one complete operation. Machines then wrap and seal each package. Slicing machines, used for luncheon meats, have been developed to the point where they now not only slice the meat to any desired thickness, but they stack the slices in separate packages, of the approximate weight desired, directly on a motorized conveyor belt which carries them to the weighing and wrapping stations. In addition to this, various power saws, grinders and tenderizers are employed in this department. The display cases are filled by means of sliding mirrored panels which allow access directly from the cutting room. Not only is valuable time saved by this innovation but aisles are less congested. This assembly line technique has eliminated many difficult tasks and also reduced needless steps throughout the day.

The same principles have been applied to the pre-packaging of produce. Experienced produce men often start early in the morning, before the market opens, to unpack and prepare the various products to be offered for sale. For greatest protection, the perishable produce items are placed in refrigerated storage rooms upon delivery.

Produce weighing and wrapping counters are specially constructed with built-in scales and electric hot plates for sealing packages. Here, fresh fruits and vegetables are weighed, priced and wrapped in convenient cellophane units to protect the product and insure freshness. Empty cartons and boxes are returned by gravity conveyors to the salvage room.

Dairy products receive the same careful consideration. A variety of cheeses are pre-cut into popular sizes and cellophane wrapped for cleanliness and convenience. The newest dairy display cases, designed on the "air curtain" principle, offer greater accessibility for shopping and stocking. Reserve supplies of milk, eggs, butter, and many other items all receive special refrigeration which they require in the dairy holding boxes.

Few customers realize the intricate network of air ducts, copper tubing and electrical wires that are needed to maintain the modern supermarket. A hundred separate motors are not unusual in such plants to provide the necessary power for compressors, saws, automatic doors, conveyors and ice-making machines so essential to the modern food market. Thirty or more refrigeration compressor units are frequently required. Since the refrigerated units must be kept in operation day and night, the electrical power requirements have grown tremendously. The power required in a modern market would be enough to operate more than 30 average sized homes. In order to obtain the most economical operation of all these electrical units it has often been advantageous to install special transformers.

New types of equipment, designed to make our job easier and more efficient, are constantly being introduced. Each new Acme Market incorporates what is then the latest equipment. Various items are tried on an experimental basis until found satisfactory or rejected. These are only a few of the advances being made in the field of food merchandising. Many others are occurring in the sales area, where they are visible to the customer, as well as in our warehouses, bakeries, and other service facilities, which are also "behind the scenes." This has been but a brief glimpse into some of the unseen operations that go on in Acme Markets to provide our customers with the best possible service and merchandise.

